



# Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY  
WASHINGTON DC, MARCH 25-29, 2019



## ASSESSMENT OF URBAN UPGRADING INTERVENTIONS IN MEKONG DELTA REGION IN VIETNAM

**Mansha Chen, Thang Van Nguyen**

World Bank, National Economics University

[mchen2@worldbank.org](mailto:mchen2@worldbank.org), [thang.apim@yahoo.com](mailto:thang.apim@yahoo.com)

**Paper prepared for presentation at the  
“2019 WORLD BANK CONFERENCE ON LAND AND POVERTY”  
The World Bank - Washington DC, March 25-29, 2019**

*Copyright 2019 by author(s). All rights reserved. Readers may make verbatim copies of this document for non-commercial purposes by any means, provided that this copyright notice appears on all such copies.*



# Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY  
WASHINGTON DC, MARCH 25-29, 2019



## **Abstract**

To improve living conditions of the urban poor, the World Bank has supported two urban upgrading projects in Vietnam, including Vietnam Urban Upgrading Project (VUUP) (2004 - 2014) and Mekong Delta Region Urban Upgrading Project (MDR-UUP) (2012 - 2018), and is currently financing the third project, Scaling Up Urban Upgrading Project (SUUP) (2018 - 2023). The first two projects covered nine cities, including 6 in Mekong Delta Region, with a total budget of \$926 million. In order to learn from the accumulated experiences in the implementation of VUUP and MDR-UUP, we conducted a study to assess key dimensions of living conditions and dynamics of land and property values in upgraded low income areas and resettlement sites under these urban upgrading projects in two cities Can Tho and Tra Vinh in the Mekong Delta Region, identify achievements as well as limitations in the projects' design and implementation, and offer recommendations for future projects. This paper presents the methodology, key findings and lessons learnt from the study.

## **Key Words:**

Assessment, land and property value, living condition, urban upgrading, Vietnam



# Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY  
WASHINGTON DC, MARCH 25-29, 2019



## 1. Background

### 1.1 Urban upgrading in the international context

1. In the last six decades, we have witnessed rapid urbanization around the world, accompanied by increasing number of people living in “low income areas”<sup>1</sup> (LIAs as is called in Vietnam, referred to slums or informal settlements in other contexts). According to UN-Habitat (2010), between 1950 and 2010, urban population increased nearly seven times. The greatest increase has been in developing regions, such as Southern and South-Eastern Asia and Sub-Saharan Africa. This rapid urbanization outstretched the capacities of urban economies, increasing the number of “low income areas” and population living in these LIAs. About one quarter of the world’s urban population and one third of the population in developing countries live in slums (United Nations Department of Economic and Social Affairs , 2014). The proportion of people living in slum conditions was particularly high in Sub-Saharan Africa (62%) and South Asia (35%).

2. Many countries have recognized that upgrading slums contributes to sustainable development by addressing poverty, social exclusion and environmental vulnerability. The informal economy, where many of the urban poor work, produces a significant portion of the city’s economic growth and generates a large share of the gross domestic product (GDP), even if it is typically officially not recorded. However, people living in slums are most vulnerable to natural hazards, climate changes, disease spreading, and economic upheavals. Their unhealthy living conditions compromise their own livelihoods, the cities’ economic development, and community’s overall living quality (The World Bank, 2017).

3. Upgrading slum needs to ensure that all citizens have equal opportunities to benefit from the prosperity generated in cities, thereby moving towards eradication of urban poverty and exclusion. This requires policy makers to view the poor as citizens who deserve the same level of public service as other residents in the city. Rather than fighting against it, or ignoring it, new approaches have emerged all around the world to improve the conditions of slums and increase the supply of affordable land and housing.

---

<sup>1</sup> This assessment adopts UN-Habitat’s (2003) definition of slum or LIA as “a heavily populated urban area characterized by *substandard housing and squalor*”. An area is categorized as LIA if it lacks one of the following: improved water, improved sanitation, sufficient living area, durable housing, and secure tenure.



# Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY  
WASHINGTON DC, MARCH 25-29, 2019



4. Many urban upgrading efforts have recognized the importance of participation from the urban poor as they play a key role in the improvement of their own living conditions. Participation is not only a right, but an instrument in achieving greater effectiveness in the implementation of public policies. The role of the government is not to ‘provide houses’ to the poor but to facilitate and support the process of improving their living conditions.

## 1.2 Urban upgrading in the Vietnamese context

5. Vietnam has a low level of urbanization (37.5% of the population in 2017) compared to most countries in the region, but its urbanization has been accelerating in recent years. Since the 1986 Doi Moi reforms, Vietnam’s urban population has experienced an average growth rate of 3.4% annually and its urbanization rate is expected to reach 50% by 2025. Although the fastest growth has been in the larger cities, particularly in Hanoi and Ho Chi Minh City (HCMC), overall urbanization has been spread out nation-wide, with the number of urban centers increased from 629 (1999) to 805 (2017). Most urban centers have been upgraded and expanded with significant improvement in economic and social infrastructure.

6. Meanwhile, urbanization has also brought about challenges such as increasing inequality and lack of access to basic infrastructure services, and many low income areas with sub-standard living conditions have emerged in cities. Among the nearly 30 million urban population, 6.6% of them are in poverty (Baker & Gadgil, 2017). However the proportion of people living in LIAs with serious infrastructure deficit is much higher.

7. Although not all the people living in LIAs are considered ‘poor’ in terms of income level, LIAs in Vietnam share similar characteristics from the perspective of multi-dimensional poverty: substandard housing, inadequate access to basic infrastructure and services, high environmental pollution, dilapidated tertiary roads, and low connectivity to the wider infrastructure networks. Most LIAs in cities in Mekong Delta Region also suffer frequent flooding due to their low elevation and infrastructure gaps.

8. Urban upgrading concept has emerged in Vietnam in early 2000 in sectoral research projects conducted by the World Banks and Ministry of Construction. This concept was institutionalized through the government’s “Framework Master Plan for Urban Development in Vietnam to 2020” in 1998, recently updated through the “Adjustment of the Master Plan for Urban Development in Vietnam to 2025 and Vision to 2050.”



# Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY  
WASHINGTON DC, MARCH 25-29, 2019



9. The "National Urban Upgrading Program - NUUP" was approved in 2009, outlining key objectives and measures of urban upgrading in 2009 – 2020. NUUP aimed at upgrading low income areas and secondary infrastructure, providing loans for house-upgrading, and necessary resettlement. Although there is a well-defined focus on LIAs, NUUP clearly also allowed for improvements to other existing built-up areas and for urban development expansion in peri-urban areas. By 2017, it's estimated that 11 million people have benefited from NUUP. However, only 23 urban centers were upgraded in the framework of NUUP, compared to the objective of 156 centers.

10. To improve living conditions of the urban poor, the World Bank has supported two urban upgrading projects in Vietnam, including Vietnam Urban Upgrading Project (VUUP) (2004 – 2014) and Mekong Delta Region Urban Upgrading Project (MDR-UUP) (2012 – 2018). These two projects covered nine cities, including 6 in Mekong Delta Region, with a total budget of \$926 million.

- **VUUP:** This project was implemented during 2004 to 2014 in 4 large cities of Vietnam: Ho Chi Minh, Can Tho, Hai Phong and Nam Dinh. Each city was beneficiary of a package of investment in infrastructure services (primary, secondary and tertiary), resettlement areas, land management and microcredit support to poor residents for housing improvement and income generation. The project was estimated to cost \$526.2 million.
- **MDR-UUP:** This project was implemented during 2012 to 2018 in 6 cities in Mekong Delta Region: Ca Mau, Can Tho, Cao Lanh, My Tho, Rach Gia, and Tra Vinh. The project invested in primary, secondary and tertiary infrastructure services and resettlement areas, and technical assistance was provided to build capacity of Project Management Unit (PMU) in each city as well as Project Coordination Unit (PCU) in the Ministry of Construction. The total cost of the project was \$398 million.

11. Following on these two projects, the World Bank has approved the Scaling Up Urban Upgrading Project (SUUP) in 2017, to extend upgrading efforts in the remaining seven provincial cities of Bac Lieu, Ben Tre, Long Xuyen, Soc Trang, Tan An, Vi Thanh and Vinh Long.



# Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY  
WASHINGTON DC, MARCH 25-29, 2019



## 2. The assessment purposes and methods

### 2.1 Purpose of the assessment

12. The objective of the study is to assess key dimensions of living conditions within upgraded and resettlement sites from two urban upgrading projects - VUUP and MDR-UUP - in Vietnam, identify achievements as well as limitations in the projects' design and implementation, and offer recommendations for future projects.

Three broad questions of the study are:

- Question 1: How have people's living conditions changed before and after the project interventions?
- Question 2: How has people's land and property value changed before and after the project interventions? What are the implications of this change on people's welfare, and on government's revenues?
- Question 3: How has the resettlement site evolved and consolidated over time, and how have the original beneficiaries adjusted to the new living environment?

### 2.2 Scope of the assessment

13. Can Tho and Tra Vinh were selected for this assessment, representing cities of different size and socio-economic development status in the Mekong Delta. Questions 1 and 2 focus on beneficiaries and project sites of MDR-UUP and Question 3 focuses on resettlement site of VUUP. Can Tho participated in both VUUP and MDR-UUP and is one of five centrally managed cities, with a population of 1.26 million, and a per capita income of MVND 65.3 (USD 2700) (2016). Tra Vinh is the central city of Tra Vinh province and participated in the MDR-UUP. Its population is 110,000, with 7.6% of Khme and 5.6% of Chinese ethnicity. Per capita income was MVND 31 (USD1360) (2016). Between 2012 and 2016, the two cities experienced different growth trends. In Can Tho, GDP growth rate decreased from 11.5% (2012) to 7.5% (2016) and average population growth rate (2012 - 2016) was 0.8%. In Tra Vinh, GDP growth rate increased from 12.5% (2012) to 14.6% (2016), and average population growth rate (2012 - 2016) was 1.5%.

14. MDR-UUP selected LIAs based on the following criteria:

- Conform to local master plan



# Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY  
WASHINGTON DC, MARCH 25-29, 2019



- Relatively poor socio-economic conditions (e.g., poverty ratio, proportion of low income households)
- Lack of economic and social infrastructure
- Relatively high population density to increase efficiency of investments
- Participatory community planning and community contribution to operation and maintenance (O&M). The project required a minimum of 60% community agreement for a LIA to be eligible, and LIAs with higher rate of agreement were given higher priority.

15. In 2012, the two cities contained many "low income areas" that needed upgrading. In Can Tho<sup>2</sup>, a total of 43 LIAs were identified, but 12 LIAs were excluded for one of the following reasons: i) contained rural elements; ii) did not have basic infrastructure for improvement; iii) already selected for investment by other projects. Thus, only 31 LIAs were selected under MDR-UUP, covering 494 ha with 5533 households and 26075 people. In Tra Vinh, 23 LIAs were selected under MDR-UUP, covering 380ha with 4008 households and 18800 persons. While there was no information on total number of LIAs identified by 2012 in Tra Vinh, the fieldwork data suggests that there are more LIAs that need upgrading in the city. According to local authorities and residents, these LIAs were not included because they did not meet criteria of population density and/or was ranked lower on community agreement.

16. This study is **not** a final project evaluation and it only focuses on two (out of six) cities in MDR-UUP. Field work was conducted in March 2018, prior to the project's completion in December 2018. Neither is it a rigorous impact assessment because there was no deliberative design of control and treatment groups. Rather, this is an action-oriented, lesson-learned study. Survey data from the project (2012 – 2016), national household living standard survey (VHLSS), and qualitative interviews were triangulated to shed lights on *how project has contributed to the changes, what worked well, what did not work, and what lessons can be learned.*

17. The scope of this assessment is focused on **changes in people's living conditions, land and property values, and evolvement of resettlement areas.** These are more about socio-economic aspects of the project. Other elements of the project (e.g., financial, technical, administrative issues) will only be mentioned if they are related to the above-mentioned focal areas of the assessment.

---

<sup>2</sup> Thirty two LIAs in Can Tho had been upgraded under VUUP prior to the MDR-UUP.



# Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY  
WASHINGTON DC, MARCH 25-29, 2019



## 2.3 Assessment methods

18. This study uses a mixed methods design, in which both qualitative and quantitative data were utilized. This evaluation was carried out during February to June 2018 and involved site visits to seven wards/communes to conduct interviews with related stakeholders and 10 focus group discussions with beneficiaries of the project in both Tra Vinh and Can Tho cities. In addition, the evaluation also used secondary data that were collected from the MDR-UUP project's baseline (2011-2012) and midterm surveys (2016) as well as data adapted from the Vietnam Household Living Standard Survey (VHLSS) conducted by the General Statistics Office (GSO) of Vietnam. Changes in poverty ratio and average income in the project areas were compared to general changes in Can Tho and Tra Vinh cities which were calculated based on VHLSS data.

19. The site visits included several activities. First, the research team had two meetings with project management units (PMU) in Tra Vinh and Can Tho cities to collect views and initial assessment from public officials on the project and its impacts on general social economic development of the localities. Second, ten focus group discussions were conducted in Tra Vinh and Can Tho cities with different groups of project-impacted citizens such as business, women, minority, and normal groups. In each focus group discussion, the facilitators concentrated on asking about people's living conditions, citizen's land and property values, and resettlement site for land-taken citizens when the project was being implemented. Third, 42 in-depth interviews were conducted with different stakeholders including public officials, citizens, and real-estate brokers (both in- and out project areas) to get more detailed information on changes in people's living conditions (between 2012 and 2016) and citizen's land and property value (between 2012 and 2018). Number of informants and data collection methods are described in Table 1.



**Table 1: Informants and methods applied in Tra Vinh and Can Tho Cities**

	Can Tho		Tra Vinh	
	In-project	Out-project	In-project	Out-project
Households	37	9	30	12
<i>Focus groups*</i>	An Hoa: LIA27 (1) Le Binh: LIA29 (1) Xuan Khanh: LIA25 (2) Thoi Nhut Resettlement Site (1)		Ward 8: LIA16 (1) Ward 1: LIA1 (1) Ward 7: LIA11 (2)	Ward 3 (1)
<i>Interviews</i>	15	09	11	7
Authorities	10 (1 meeting + 2 interviews)		17 (1 meeting + 3 interviews)	
Real-estate	07 (KC Club)		04	

*Note: \* numbers in the brackets are numbers of focus group discussion in the related wards.*

*Source: Compiled from the fieldwork*

20. The in-depth interviews and focus group discussions concentrated on collecting the following information:

- a. Household characteristics such as business, ethnic, and vulnerable groups;
- b. Income of households or income per capita including rental income and home-based business income, livelihoods, standards of living;
- c. Housing/land values including areas of land, types of houses, value of properties on land;
- d. Health and education covering highest qualification/certificates, expenditures on education and health of households;
- e. Basic utility services such as water supply, drainage, waste collection and sanitation, environment, and public services and amenities like street lighting, public spaces, play grounds, and sport fields;



# Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY  
WASHINGTON DC, MARCH 25-29, 2019



- f. Road-system condition in the alleys including types of alley/roads, flooding points, car-accessible roads; and
- g. Social capital regarding participation and support, and satisfaction of citizens.

21. Besides qualitative data collected from field visits, the study also compiled data from secondary sources, including data of the project and reference areas. We analyzed household survey data collected by Project Management Units (PMUs) in the baseline survey conducted in 2011/2012 as part of the project Feasibility Study (FS) and the Midterm survey conducted in 2016 among LIAs with most completed civil works. We also tried to identify ‘comparison group’ to address the issue of attribution. The latter is reference data adapted from the VHLSS by GSO in 2012 and 2016. VHLSS data shows general trends of households’ income and poverty of the province (Tra Vinh) or city (Can Tho). Rates of changes in relevant indicators (e.g., poverty ratio, average income), based on VHLSS, should form a reasonable reference data for the assessment.

22. Comparing changes in interested indicators at different points of time (2012 and 2016/2018) and places (in-project areas and out-project/reference areas) allowed us to infer project’s impacts on citizens’ living conditions and land and property values. Descriptive statistics were used to illustrate changes of citizens’ living standards and changes in land/housing prices.

23. For land value changes, the research team looked at changes of different prices for different land categories (see Box 1). Government prices were obtained from Provincial People Committees. Market prices were estimated by triangulation of different information sources<sup>3</sup>, including:

- *Interviews with real estate agents:* At least two real estate agents were interviewed for each area (i.e., LIA or primary infrastructure). In most cases, the real estate agents even visited the sites with the research team to explain their estimates of land prices of the areas.
- *Interviews with people in the areas:* The research team asked people in the areas, either through focus groups or individual interviews, on their knowledge of land transactions/ prices in the areas. The team also tried to meet land owners or buyers of the transacted land plots.

---

<sup>3</sup> If the estimated prices from the sources differed from each other by no more than 10%, the team took the average of the prices. If the estimated prices from one source (e.g., authorities) differ to any of the other sources by more than 10%, the team presented the estimated prices to all sources and ask for any adjustment. The discussions went on until the variance between the sources came down to no more than 10%.



# Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY  
WASHINGTON DC, MARCH 25-29, 2019



- *Interviews with local authorities:* The research team asked Ward leaders and cadastral officials on market prices on the areas. Local authorities could know both registered and real market prices.

## Box 1. Land categories and prices

Land in Vietnam is categorized by the government in different types, often associated with different purposes and prices. Most common types are:

- - Agricultural land: Land is for agricultural purposes. Normally the government-listed prices for this type of land are very low.
- - Residential land: This type of land could be used for building houses and shelters.
- - Non-agricultural land: This type of land is neither agricultural nor residential. It can be used for commercial activities, such as shops, manufacturing premises, etc.

There are also different prices for the same piece of land:

- - *Provincial People Council's (PCC) listed prices:* The PCC issued a list of prices for land of different types and locations. Types of land include agricultural, residential, and non-agricultural lands. Locations are determined by the positions of the land plots relative to major roads (e.g., position 1 = facing main road, position 2 = one turn to access main road, etc.). The PCC listed prices are used mainly for calculating land use tax and since 2015, PCC listed prices were determined every five years.
- - *Market prices:* These are prices of land transactions in the market. In almost all cases, registered prices of the transactions were very close to PCC listed prices, and much lower than real market prices, due to the issue of under reporting.

24. The team also looked at land values of reference areas outside the project to compare with changes in land values of project areas. For each project area, the research team tried to match with an area that had similar conditions in 2012 but not included in the project. These "reference" areas were proposed based on project documents of locations and demographic variables. Local authorities and real estate agencies also advised the research team on relevant "reference areas". In most cases, referenced areas were in the same Wards and close to project areas.



# Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY  
WASHINGTON DC, MARCH 25-29, 2019



25. Several caveats of the study methods should be noted. Firstly, the study used project's FS and midterm surveys which may not follow a consistent process. The FS survey methods in Tra Vinh, including sample selection and sample size, were not available to the team. Secondly, while the use of VHLSS was the best option available to draw some inference on project's impacts, this is not ideal "control group" for the evaluation. Finally, estimations of land prices in 2012 relied on people's recalls, which contains a high risk of inaccuracy. Triangulating different sources of information helped reduce, but could not completely rule out, this risk.

## 3. Findings

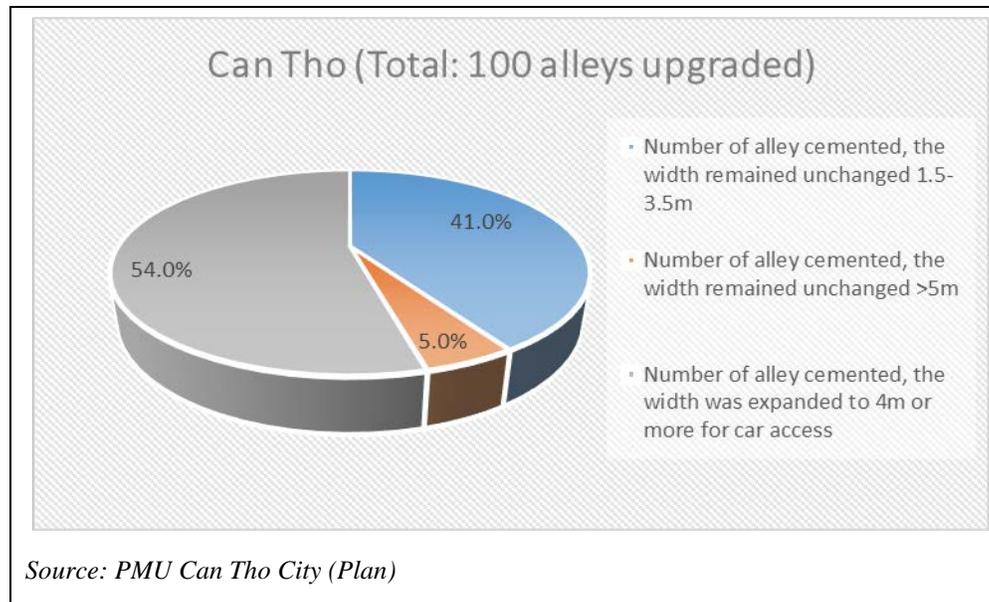
### 3.1 How has people's lives changed in the project areas?

26. **Households' access to basic infrastructure has been improved significantly.** The investment in the MDR-UUP project focused on upgrading the basic infrastructure in LIAs, including: (1) upgrading the existing laneway to concrete alleys. 2) elevating alleys as high as the main roads or as in the City's plan; (3) investment in water drainage system; (4) investment in water supply systems for LIAs without safe water; (5) investment in public lighting; and (6) dredging of canals and ditches that are blocked due to waste and sediment. Besides, the project also invested in some primary infrastructure, including main roads, canals and lake embankments, which improved connectivity and environment.

27. With regards to the road system, all alleys were cemented, and a large proportion of the alleys has been expanded to four meters wide or wider for car access. Particularly in Can Tho City, 59% of the 100 alleys has been upgraded to four meters or more. Alley 42 that is connected to one main road of Can Tho City (Tran Viet Chau Road) has been expanded to a 20 meters wide asphalted concrete road. Similar interventions took place in Tra Vinh City.



**Figure 1: Statistics of alleys upgrade in Can Tho City**



28. The percentage of citizens surveyed in project areas who said their alleys were narrower than 2.5m was significantly reduced between 2012 and 2016 in both Tra Vinh and Can Tho cities. It was a strong evidence that in-project citizens have access to wider and better alleys. In contrast, most citizens in out-project LIAs still live with non-upgraded alleys in worse conditions. Interviewed citizens living in out-project LIAs<sup>4</sup> complained about their alleys being dirty, muddy, car inaccessible, with uneven surface and severe flooding during raining seasons.

<sup>4</sup> For example, in areas located near the upgraded Alley 42 (Tran Viet Chau Roads, Can Tho City), Alley 55 Tran Viet Chau Road and Alley 111 Cach Mang Thang Tam Road (connect Tran Viet Chau Road and Cach Mang Thang Tam Road) have no significant changes between 2012 and 2018.



**Figure 2: Changes in number of small alleys (in-project areas)**



Source: Consolidated from the FS and Midterm Surveys

Sample size: FS Can Tho: 334 households, FS Tra Vinh: not available

Midterm Can Tho: 200 household, Midterm Tra Vinh: 160 households

29. All upgraded alleys and roads have drainage points to mitigate flooding. Inundation in the rainy season or in the high tide period at all the alleyways have been significantly reduced. Many households confirmed this improvement in interviews.

*"Previously, this alley was flooded seriously in the rainy season and monthly high tide. Water was as high as 50–60 centimeters. It used to be impossible to ride a motorbike during rainy seasons and the children were unable to go to school on their feet. A teacher living in the neighbor used to bring an extra dress when going to school in rainy days as her dress would definitely get wet and dirty when she rode a bike along the flooded alley. When alley was expanded into a concrete and wide road, the children can go to school in the rainy season on their own, cars and motorbikes can access the road easily." (IDI with HHs in alley 42, Tran Viet Chau Street, Can Tho City).*

The pictures below show the status of a not upgraded alley (as comparison) and the alleys that have been upgraded in Tra Vinh City.



# Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY  
WASHINGTON DC, MARCH 25-29, 2019



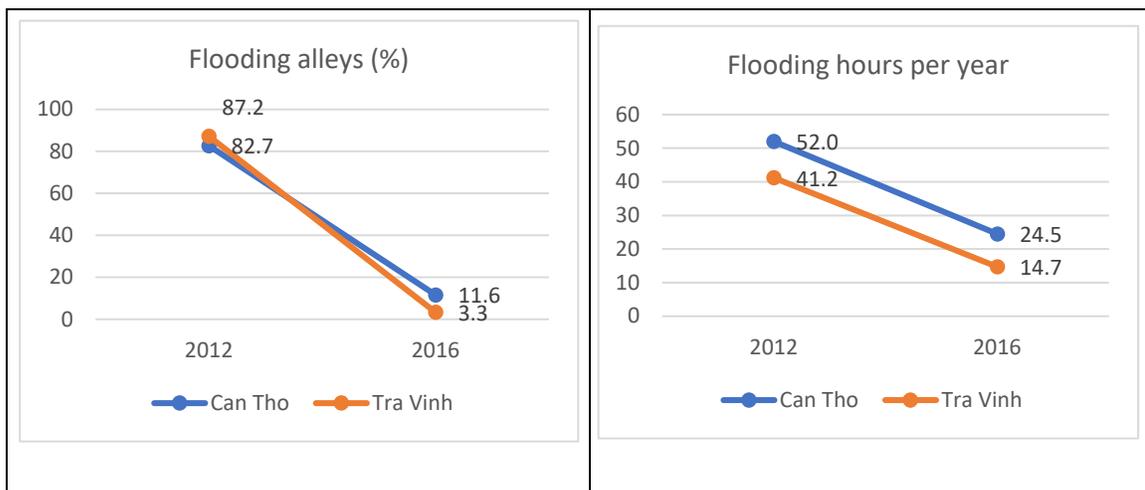
**Picture 1. Upgraded and not-upgraded alleys in Tra Vinh City**



*Alley 51 (connected to Road 19/5, Tra Vinh City) after being upgraded*      *Alley in Group 8, Ward 8, Tra Vinh City after being upgraded*      *A neighboring Alley which has not been upgraded*

30. Results from the baseline and midterm surveys (Figure 3) showed that flooding in the project areas has substantially reduced, not only in terms of number of alleys flooded, but also duration of flooding. For example, the surveys asked in-project area citizens whether their alleys had been flooding. Percentage of surveyed citizens in Tra Vinh reported their alleys flooded in 2016 was just 3%, while this portion in Can Tho was 12%. These figures were sharply decreased from 83% and 87% respectively in 2012. Similarly, the flooding duration was reduced by a half in Can Tho and by two thirds in Tra Vinh.

**Figure 3: Changes in flooding situations in the project areas.**



Source: Consolidated from the FS and Midterm Surveys (same sample size as noted in Figure 2)



# Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY  
WASHINGTON DC, MARCH 25-29, 2019



31. However, according to focus group discussions with households in some areas (not in-project) connected to the upgraded alleys, some alleys in those non-upgraded LIAs are suffering more serious flooding as their elevation is now lower than that of the upgraded alleys.

*‘Current drainage is still slow and affects many households in the branch-alleys connected to the alleys upgraded by the Project. Because the new drainage points in upgraded alleys are much higher than those in the branch-alleys, the water in the branch-alleys cannot drain easily. Connected to Alley One are the five branch-alleys and each branch-alley has 20–30 households. They are affected when there is heavy rain, and/or high tides. The high tide usually occurs twice a month, approximately four days each time, and if it happens at the same time with heavy rain, flooding occurs. Out-project citizens living in branch-alleys are those who are suffering the most.’*  
(FGD with HHs in Alley 1 Vo Tanh Street and Alley 1 Pham Hung Street, Can Tho City).

32. The maintenance and protection of drainage points needs attention. Visit to the upgraded Alley 1 Vo Tanh Street and Alley 1 Pham Hung Street, Le Binh Ward, Can Tho City showed that the drainage points have not been protected properly, which would affect the drainage rates (see Picture 2 for illustrations). Group discussion in Le Binh Ward also suggested that the communities have not been instructed on how to maintain and protect these drainage points.

**Picture 2. Protection of drainage points**



*Correct protection! The drainage point is kept clean and uncovered.*

*Incorrect Protection! The drainage points are covered [photos taken at Alley 1 Pham Hung Road, Le Binh Ward, Can Tho City.]*



# Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY  
WASHINGTON DC, MARCH 25-29, 2019



Yet, the working session organized with the representatives from the Ministry of Construction (MoC) after the field visit revealed that the Project has developed a comprehensive Manual on Operation and Maintenance (O&M) and training has been delivered to relevant stakeholders, including representatives from communities. The Project planned to conduct more training on O&M to wider audiences in the later half of 2018<sup>5</sup>. It was clarified that for the time being, the households would need to report to ward authorities on any issues for maintenance, who in turn would pass on to PMU to notify the contractors that are still responsible for maintenance within the guarantee period. This indicates a need to strengthen communication between ward authorities and PMU until the Project has been finished and handed over to Districts' authorities for maintenance.

33. **Income and livelihoods have been generally but not equally improved.** Incomes have been improved mostly for the following groups:

(1) *Households facing upgraded (and expanded) primary roads* have increased their incomes from renting their houses/lands to other businesses or growth of their own business. For instance, in Alley 42 in Tran Viet Chau Road, Can Tho City, 30% of households sold their land to the newcomers who have started their business such as coffee shops, selling construction materials, or repairing autos and motors (*IDI with HHs*). Some original households greatly improved their livelihoods by starting their own small business (see Box 2).

---

<sup>5</sup> One official from Can Tho PMU commented that in VUUP there was more effort in campaign and training on how to address O&M related issues. This was as strong in MDR-UUP.



## Box 2. Worse-off households facing the newly upgraded and expanded road changed their livelihoods

A motorbike repairing shop in Can Tho City. The family has two members - a 70-year-old father and a son who is suffering from mental disorder hence unable to work. The father used to be a motorbike rider who provided transportation services; the income was very low (VND 40-50,000/day, equivalent to USD2/day) and unstable. The family sometimes relied on material and financial support from their neighbors. When Alley 42 was upgraded to a 20-m road, he invested VND 10 million (USD 450) to open a motorbike repairing shop (on the pavement of Alley 42, right at the house doorstep). Now, his average income is VND 120,000 per day (USD5/day) and much more stable. The family does not need to get financial support from the neighbors any more.

After Alley 42 was upgraded to a 20-meter-wide road, a new business (sale of construction materials) was started by a man who used to ride a three-wheeled motorbike wagon as the main livelihood. The picture below is his storage and business place on Alley 42 where big trucks can access easily.



Source: IDI with the owner

34. (2) *Business households* benefited from better access to customers and/or suppliers and lower transportation costs (see Box 3). Those who have expanded their household businesses also helped create jobs for local people. Agro-products traders along the Vo Tanh road, near the floating market in Cai Rang, Can Tho are examples (see Box 4).



# Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY  
WASHINGTON DC, MARCH 25-29, 2019



## Box 3. Thanh Loi Private Enterprise in Tra Vinh City expanded their business thanks to better transportation resulted from the alley upgrading



The business has been operating for over 25 years. The main products include chili, spicy sources and bottled syrup. Its main markets are in Tra Vinh Province and five neighboring provinces in Mekong Delta. Significant growth of Thanh Loi's business started in 2013, when Alley 51 was upgraded. With regards to the means of transportation, Thanh Loi used to hire employees to ride motorcycles for carrying raw materials and final products to main roads as the trucks were not able to access their workshop. Now the trucks are used to deliver goods directly to and from the workshop. As a result, the volume of raw materials used has doubled and Thanh Loi invested VND 500 million to install new machine/production line to

increase production capacity in 2017. In addition, Thanh Loi successfully raised a fund of VND 150 million provided by Tra Vinh City Industry Extension Center. Recently, Thanh Loi invested over VND 1 billion to build a new warehouse and workshop with a total area of 500m<sup>2</sup> and hired seven to eight employees to work on a regular basis.

Its revenue has increased by 100% compared to the time before Alley 51 was upgraded. Tax contribution of Thanh Loi has also increased four times since 2012 to VND 1.8 million per month as of 2018.

Pictures above are their products (chili source and bottle syrup), new machine installed in 2017 and a newly constructed workshop for 7–8 workers.

*Source: IDI with the owner*



## Box 4. Phat Trang Private Enterprise in Can Tho City

Located on Vo Tanh Road are dozens of agro-product traders, among which Phat Trang is one of the biggest. Vo Tanh Road was invested by the MDR-UUP project and became one of the main roads critical to economic activities of many local people. In the past, the traders transported the agro-products by small trucks through Vĩ Tanh Road (and other main roads in the neighboring area). Before the project’s intervention, Vo Tanh Road was seriously degraded. At the end of the road, there was a serious landslide which affected the business as the transportation was too slow or blocked now and then. Many traders reported a down trend in doing business hence their employees who were mostly the local people were affected in terms of employment and income. Once the road was upgraded, big trucks can access to Vo Tanh Road easily. This has enabled the traders to expand their businesses and create more jobs to the local. Table below summarized some positive changes of Phat Trang Private Enterprise.

<b>Significant Changes</b>	<b>Before Vo Tanh Road was upgraded</b>	<b>After</b>
<b>Volume (per day)</b>	10 tons of fruits	14-15 tons of fruits (increased by 40% - 50%)
<b>Labor</b>	10-12 workers (100% were male; 70% were the local people);	20 workers (100% are male; 70% are local); Salary/worker: VND 12 million/month, increased gradually
<b>Means of transportation</b>	Smaller trucks and fewer vehicles per trading -partner (corresponding to daily transaction volume)	Larger trucks. It is much easier to load the trucks with goods thus attracting more trading partners/wholesalers
<b>Tax Contribution</b>	5 years ago, quarterly tax was around VND 0.5 million	Quarterly tax 2018 is around VND 2 million

*Source: IDI with the owner*



# Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY  
WASHINGTON DC, MARCH 25-29, 2019



35. (3) *Owners of houses for rent:* Many households living in LIAs have main income from renting houses. The scale of their business varies, some owners have two or three small rooms for rent, others have 10 to 12 rooms, but the average number is seven or eight. With a rent of VND 800,000 to VND 1.2 million per month per room of 12–16 square meters, the household's average rental income reaches VND 4.2 million to 9.6 million (USD 200 – 400/month). Interviews and group discussions with those households revealed that upgrading of alleys helped increase the occupation rate as the students or workers seeking rooms to rent value improvement of flooding and safety of the areas. Even though 60–70% owners have upgraded the houses for rent, the rent has only increased slightly as the supply is higher (more people started building houses for rent after the alleys were upgraded). Nevertheless, thanks to a higher occupation rate, income of the owners has increased. IDIs and FGDs noted many remarks on this positive change:

*“I have 9 rooms for rent. Before the alley was upgraded, it was very difficult to attract tenants as they were afraid of the flooding and the unsafe situation of the alley. Normally by that time I had to offer low price but still didn't get enough tenants. Now I can rent out all 9 rooms so the revenue is higher and much more stable.”* (IDI with an owner in Alley 42 Tran Viet Chau Road Can Tho City).

*“Students from Can Tho University nearby are very strict customers. When they visit our houses seeking for a room to rent, they always check how flooding the alley is in rainy days. That is why we failed to find tenants in the past. Now it is much easier to rent a room. More households have been building new rooms for rent because of it's easier to rent out.”* (FGD of rental owners in Xuan Khanh Ward Can Tho City)

36. However, incomes of ethnic minority, poor households, and households in small alleys have not improved significantly. In most cases, these people have not changed their livelihoods which commonly are part-time, low-skilled works or agricultural production. Nor have they found a way to take advantages of the new infrastructure. Access to finance, business skills and attitude are key limitations. Both Cities, Can Tho and Tra Vinh, have policies to help poor HHs access low interest credit from Vietnam Social Policy Bank through the Women's Union. Still not many poor HHs were able to benefit from such policies. HHs living in alleys in Vo Tanh and Pham Hung Road (Le Binh Ward, Can Tho City) explained several reasons that limited poor HHs in fully taking advantage of the upgraded alleys to improve their economic status, for example, many HHs are elderly people who cannot work, many do not know how to set up and run a small business, or do not see any business opportunities.



# Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY  
WASHINGTON DC, MARCH 25-29, 2019



*“We do not start any new HH business, the alley is better now but what can we do with business because of that?” (IDI with the Khmer HH group at Ward 8 Tra Vinh City).*

*“Even the alley is cleaner, cemented now, we are still doing the same work as before. In our alley, no new shops, no new businesses have been opened up so far.” (FGD with HHs in Alley 1 Pham Hung Road and Alley 1 Vo Tanh Road Can Tho City).*

37. As many localities across the country, Can Tho city and Tra Vinh Province<sup>6</sup> have been mobilizing resources from the national target programs, provincial budget, donor-funded projects and private contributions and implemented various solutions targeting the poor households. Success stories suggest that poverty reduction is best achieved by providing the poor households with a package of support including provision of basic infrastructure, loans, vocational training, guidance in establishing and operating production cooperatives, and market information. Future urban upgrading projects may need to consider incorporating more financial and social measures to address this issue along with the physical investments.

38. Surveyed data recognized notable increases in household incomes, both generally for City/province (based on VHLSS) and specifically for project areas (based on project surveys). In Tra Vinh, income increase rate in project areas was similar to that of provincial average. During 2012 and 2016, change in household income in-project areas was 1.47 times, while the increase rate of provincial-average was 1.41 times. In Can Tho City, the average LIA-household income increased by 1.36 times, higher than the City general increase rate of 1.14 times. This result is consistent with other assessment concluding that national urban upgrading projects in Vietnam have not yet observed a very consistent and direct link between infrastructure improvement and income generation<sup>7</sup>. Note that at the survey time in 2016, the MDR-UUP project had not been completed, and its impacts on income may only be partially realized. It may take more time for households to effectively take advantages of infrastructure improvement, and thus a higher income increase in LIAs could be expected in the future.

---

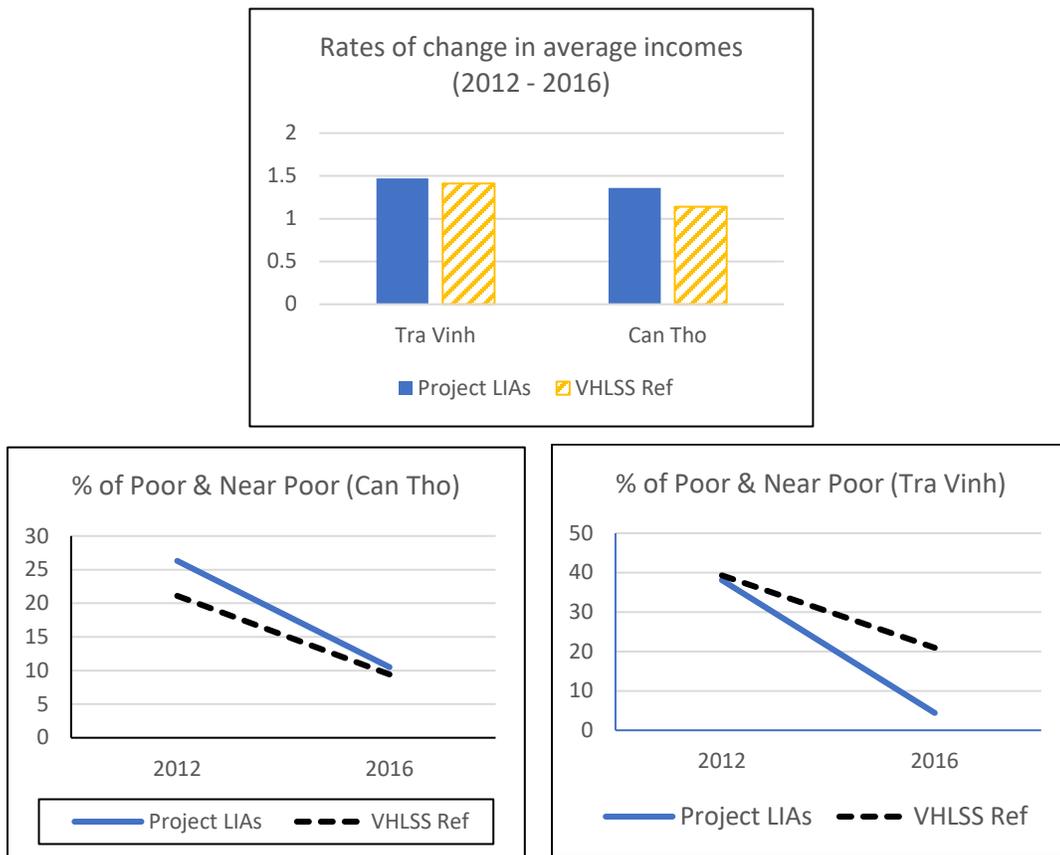
<sup>6</sup> In 2017, Tra Vinh Province has reduced nearly 7,300 poor households, including more than four thousand Khmer ethnic minority households. Currently, there are more than 23,000 poor households, accounting for 8.41% of total households in the province (<http://kinhtenongthon.vn/niem-vui-den-voi-nguoi-ngheo-tra-vinh-post19238.html>)

<sup>7</sup> Terry Standley, 2017. Technical assistance to provide support in deploying coordination capacity development of the cities participating in the National Urban Upgrading Program. Mekong Delta Region Urban Upgrading Project, Report 2, Task A (Code: MoC 01H)



39. However, when considering poverty rate, poverty reduction in-project LIAs was stronger than City/provincial average in both Can Tho and Tra Vinh (Figure 4). Note that these data were based on the single-dimensional, income-based poverty. If the multi-dimensional poverty concept was applied, the contribution of the project on healthcare, education, housing, and general living standards could be much clearer (see subsequent discussions on access to infrastructures, education, health improvement, etc.).<sup>8</sup>

**Figure 4: Changes in average incomes and poverty ratios**



Source: Consolidated from the FS, Midterm Surveys and VHLSS

Notes for the charts:

- Poor/ Near Poor: By Government's definition

<sup>8</sup> One concern is that gentrification could be an important factor in reducing the poverty rate, i.e., original poor households sold housing to better-off HHs and moved out, artificially reducing poverty rate in the project areas. We did not have systematic statistics to reliably address this concern. Our fieldwork suggested that some poor HHs facing major roads or primary infrastructure did sell their land and moved out, but these HHs were not many. Most poor HHs in LIAs did not sell their houses after the project intervention. We retain our view that gentrification was not an important factor in reducing the poverty rate in this project, but this view could be further checked with reliable statistics.



# Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY  
WASHINGTON DC, MARCH 25-29, 2019



- Project LIAs: Data came from Project's Feasibility Studies (FS Can Tho: 334 households, FS Tra Vinh: not available) and Midterm surveys (Midterm Can Tho 200 households, Midterm Tra Vinh 160 households)
- VHLSS Ref: Reference data from VHLSS in Tra Vinh province sample (129 households surveyed in both 2012 and 2016) and Can Tho City sample (138 households surveyed in both 2012 and 2016)

40. **Most households had to elevate their houses** to align with higher elevation of the upgraded alleys in order to further mitigate flooding, but house upgrade is often too costly for the poor and ethnic people. Although the infrastructure upgrades in LIAs greatly mitigate the area wide flooding, some households located in low lying areas still suffer from flooding during heavy rains. Most of the house upgrade was minor - just to respond to changes in the alleys and drainage system (raising the house foundations/roofs, etc.). Poor households (especially in Tra Vinh) reported that they could not afford house upgrade. Some bought pumps to fight against flooding during big rains. Examples of most affected areas are:

- In Can Tho, 30% households in Alley 1, Phạm Hung Road, Ward Le Binh has not been able to upgrade their houses, hence some houses are still flooded during heavy rains; 20% households in Alley 51, Ward Xuan Khanh has not been able to upgrade their houses. *(HH focus group discussion)*
- In Tra Vinh city, 100% Khmer households in Group 8, Ward 8 have not been able to elevate their houses (the floor is 40 centimeters lower than the alley) as many of them could not afford it. They had expected to access a loan of VND 25 million for house upgrade as in VUUP, but this component was not included in MDR-UUP. *(HH focus group discussion).*

*“When LIA alley construction was completed, my house elevation is 60-70 centimeters lower than the alley. I had no choice but renovating my house by accessing a bank loan of VND 30 million. Still I have no more money to elevate the roof of the house. Other worse-off households are unable to afford VND 30 million for upgrading their house simply because they are too poor.”* (FGD in Alley 1 Pham Hung Road Can Tho City)

41. According to the feedback from the representatives of MOC, the Project was designed with a careful consideration of climate change scenarios to minimize impacts of flooding, and considered several solutions to cope with flooding risks, such as lowering the drainage receiving points, instructing households to create temporary water retention areas in their gardens, etc. However, it would take time for the authorities to upgrade the remaining alleys and for households to upgrade their houses in order to completely address flooding issues.



# Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY  
WASHINGTON DC, MARCH 25-29, 2019



42. **In-project people reported better health conditions thanks to less flooding and cleaner environment.** All households in-project LIAs recognized better health conditions in group discussions and interviews.

*“If there was no new road, the life of the people would have been very hard. The environment is not healthy especially there were so many mosquitoes that carried disease. Previously, this alley laid next to the ditch, people planted many trees where lived mosquitoes and snakes. Some households raised pigs and discharged pig manure directly into the ditch. Now those mal-practices no longer exist.” (HH interview in Alley 42, Tran Viet Chau Road, Can Tho).*

43. However, quantitative data on health improvement were not available, neither in project FS (2012) nor in midterm survey (2016). A similar impact as VUUP could be expected for MDR-UUP. The impact evaluation of VUUP suggested that *“incidence of most common diseases diminished compared to the before-project period”* (page 72)<sup>9</sup>. Moreover, among those who reported sickness, the percentage of sickness from environmental pollution dropped from more than half (before project) to only 31% (after project).

44. **Improved infrastructure facilitated participation and socialization.** One principle of the project is to base on community participation and contribution. During project preparation, many community meetings and discussions were organized to mobilize people’s ideas and contributions. People learned how to participate in the project and that experience has been carried on to the implementation stage of the project. Moreover, new roads, alleys, parks and street lighting facilitate socialization through more frequent use of public space for exercises or gathering.

For instance, in Alley 51 Ward Xuan Khanh, Can Tho City, people actively participate in monitoring alley construction.

*“The monitoring team is composed of representatives from the households and the leader. Surveillance in the alley is well done. Once the monitoring team found out that the quality of the stones used by the contractor was not as good as those used initially, so they requested a replacement of the material from the contractor. That is one of the reasons why the road of Alley 51 is of good quality. Participation structure remains after the project.”*

---

<sup>9</sup> Impact evaluation report: Vietnam Urban Upgrading Project (VUUP), 2015, by Micro-finance & Community Development Institute (MACDI)



# Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY  
WASHINGTON DC, MARCH 25-29, 2019



“Also drug and theft occurred in Alley 51 in the past. People and police have contributed money to install security cameras after the alley was upgraded and better illuminated. Now theft and drug in the alley have disappeared.” (HH FGD with HHs in Alley 51, Ward Xuan Khanh Can Tho City).

45. **New schools by the project improved access to education.** In both Tra Vinh and Can Tho, saved money in the bidding process was used for upgrading and/or building public facilities, such as schools. Our visits confirmed that newly built schools help ease schools' overcapacity issue in populated areas. Newly built and upgraded schools have standard and modern facilities (see Box 5). For some newly built schools, parents may be reluctant in sending their children there in the beginning, but the issue could be resolved through good communication and proper operation of the new schools (as in the case of Tran Quoc Tuan school, Tra Vinh).

**Table 2: Facilities invested by the Project**

	Can Tho City		Tra Vinh City	
	<i>Newly constructed</i>	<i>Upgraded</i>	<i>Newly constructed</i>	<i>Upgraded</i>
School	04 kindergartens		2 primary schools (Ward 4, Ward 9)	3 primary schools (Ward 5, Ward 8A and Ward 1)
	01 primary school	03 primary schools	1 lower secondary school (Ward 2)	
	01 secondary school			
	01 vocational	01 vocational		
Health center	01	01	0	0
Park	01	01		

Source: PPMU



# Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY  
WASHINGTON DC, MARCH 25-29, 2019



## Box 5. New school in Tra Vinh City built using the Project's residual fund

Tran Quoc Tuan Secondary School (Tra Vinh City) was built from the residual capital (savings from procurement) of the Project, with a total investment of VND 20 billion. The school conforms to national standard, with 12 classrooms and functional rooms (library, canteen, class rooms for physics, chemistry, English and computer science, etc.). The English rooms are equipped with the most advanced facilities. The school commences from 2017-2018 with 20 classes (from grade six to nine) with 779 students. The school has helped resolving the "overload" situation for Ly Tu Trong Secondary School in the neighboring area. Beneficiaries are both LIA and non-LIA families, and the operation of Tran Quoc Tuan school has generated a great social impact.

*Playground, classroom, library and English classroom of Tran Quoc Tuan School*



*Source: Interview with the Board of Management*

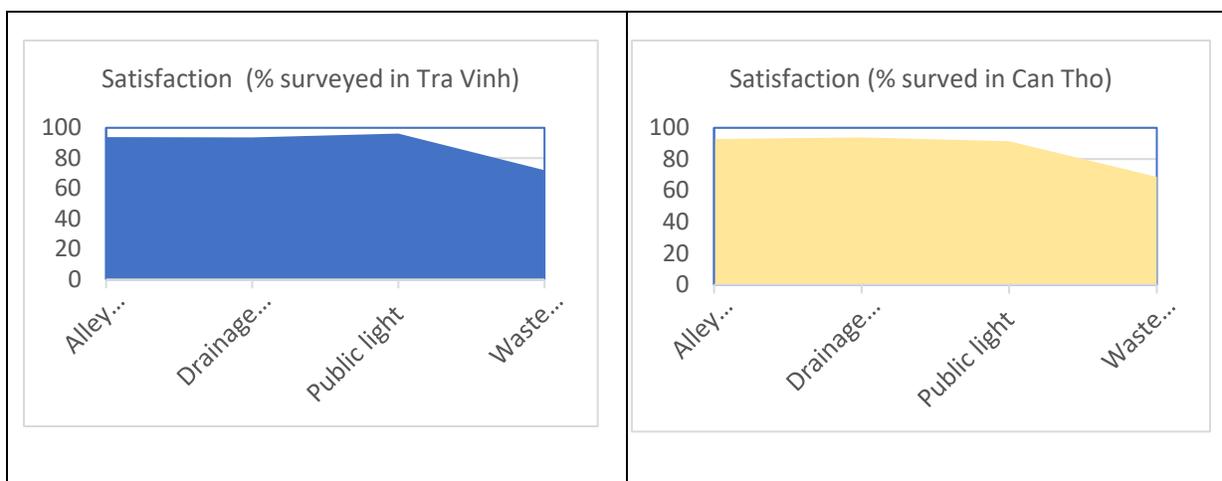
46. **Overall satisfaction of the changes in the project areas is very high.** Social lives have been improved (e.g., morning or evening exercise, socialization in public space). Infrastructure has been markedly improved, and people have participated actively in security measures.

*"If you allow, I would rate my satisfaction at 12, out of 10" said a Khmer man participating in a FGD at Ward 8, Tra Vinh City.*



47. The midterm survey asked citizens about their satisfaction on four investments of the project, including alley improvement, drainage system, public light and waste collection services. More than 90% of surveyed citizens said that they were satisfied with the project's results regarding alley upgrade, drainage system and public light. For the waste collection, the satisfaction rate was lower (69% in Can Tho and 72% in Tra Vinh), mainly due to unstable operation of the waste collectors. In addition, the behavior of local residents (i.e., dumping waste outside the designated locations) may also contribute to the less satisfying results (Figures 5).

**Figure 5: People's satisfaction on the changes in the project areas**



*Source: Consolidated from the Midterm Surveys*

### 3.2 How has the land values changed?

48. **Project investment in primary infrastructure (e.g., major roads) has led to significant increase in land values of the areas.** The increases in the project areas were higher than those in reference out-of-project areas.

- Market prices increased from 5 to even 11 times for residential and non-agricultural lands in project areas. These increases in reference areas were 2 to 3 times.
- Market prices increases were even higher for agricultural land that could be converted into either residential or non-agricultural land (24 times in the 19-5 Extension Road, Tra Vinh). In some areas,



# Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY  
WASHINGTON DC, MARCH 25-29, 2019



owners do not want to sell as yet. Agricultural lands in reference areas also increased sharply, from 3 (Lo Hot, Tra Vinh) to 14 times (Dau Sau Bridge, Nguyen Van Cu Road, Can Tho).

Fieldwork data suggested that market land values increased sharply due to two key reasons: business opportunities and speculation. *Firstly*, project investment in major roads (or converting alleys into major roads) facilitated changes in people’s livelihoods to take advantage of business opportunities. Facing major roads, people could now engage in profitable businesses, such as opening shops, hotels, or leasing houses to businesses. *Secondly*, information on project investment induced land speculation. Many people bought lands in areas with an expectation that the prices will continue to increase. This is more likely to happen in Can Tho than in Tra Vinh.

- Government listed prices also increased in most areas, and the highest increases were in the project areas (3 times in Tra Vinh, 5 times in Can Tho). Increases in listed prices have direct implications on land-related revenues since most taxes and fees are based on listed prices.
- Rental prices also increased more sharply in project areas (2-2.7 times), compared to out-project areas (1.2 - 2 times).

**Table 3: Changes in land values – Primary infrastructure in Can Tho (1)**

(VND ml. /m2)	In-Project:			Out-project:		
	Bun Xang Lake (Nguyen Van Cu: 4)			Dau Sau Bridge (Nguyen Van Cu)		
	2012	2017	Change	2012	2017	Change
<b>Listed prices</b>						
Residential	1.20	1.88	1.56	1.60	2.50	1.56
Non-agricultural	0.84	1.50	1.79	1.12	2.00	1.79
Agricultural	0.16	0.25	1.54	0.16	0.25	1.54
<b>Market prices</b>						
Residential	1.50	17.00	11.33	1.50	3.50	2.33
Non-agricultural	1.50	13.00	8.67	1.30	2.70	2.08
Agricultural	Could not sell	Do not sell		0.07	1.00	14.29



# Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY  
WASHINGTON DC, MARCH 25-29, 2019



Rental (room 15m2)	0.5	1	2	0.5	0.6	1.2
--------------------	-----	---	---	-----	-----	-----

*Comparison of changes in land values in Bun Xang, and Alley 42, Tran Viet Chau (MDR-UUP) and Dau Sau Bridge (out of project) areas. Source: Listed prices from Provincial Council Price list. Market prices estimated from fieldwork.*

**Table 4: Changes in land values – Primary infrastructure in Can Tho (2)**

(VND ml. /m2)	In-Project:			Out-project:		
	Alley 42 Tran Viet Chau (20m road)			Dau Sau Bridge (Nguyen Van Cu)		
	2012	2017	Change	2012	2017	Change
<b>Listed prices</b>						
Residential	2.80	14.00	5.00	1.60	2.50	1.56
Non-agricultural	1.96	9.80	5.00	1.12	2.00	1.79
Agricultural	0.16	0.25	1.54	0.16	0.25	1.54
<b>Market prices</b>						
Residential	6.00	35.00	5.83	1.50	3.50	2.33
Non-agricultural	3.90	22.75	5.83	1.30	2.70	2.08
Agricultural	Couldn't sell	Do not sell		0.07	1.00	14.29
Rental (room 15m2)	No customers	1		0.5	0.6	1.2

*Comparison of changes in land values of Tran Viet Chau (MDR-UUP) and Dau Sau Bridge (out of project) areas*

*Source: Listed prices from Provincial Council Price list. Market prices from fieldwork*

**Table 5: Changes in land values – Primary infrastructure in Tra Vinh (1)**

(VND ml. /m2)	In-Project:			Out-project:		
	Son Thong, Ward 8 (6m)			Kien Thi Nhan Road		
	2012	2017	Change	2012	2017	Change
<b>Listed prices</b>						
Residential	1.92	2.30	1.20	3.90	3.90	1.00



# Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY  
WASHINGTON DC, MARCH 25-29, 2019



Non-agricultural	1.15	1.38	1.20	2.34	2.34	1.00
Agricultural	0.15	0.18	1.20	0.15	0.18	1.20
<b>Market prices</b>						
Residential	1.00	6.00	6.00	1.00	2.00	2.00
Non-agricultural	0.60	3.60	6.00	0.60	1.20	2.00
Agricultural	0.10	2.40	24.00	0.10	0.30	3.00
Rental (15m2)	0.3	0.6	2	0.3	0.6	2

*Comparison of changes in land values in Son Thong Road (Ward 8 – MDR-UUP) and Kien Thi Nhan Road (out of project). Source: Listed prices from Provincial Council Price list. Market prices from fieldwork*

**Table 6: Changes in land values – Primary infrastructure in Tra Vinh (2)**

(VND ml. /m2)	In-Project: 19-5 extension			Out-project: Lo Hot		
	2012	2017	Change	2012	2017	Change
<b>Listed prices</b>						
Residential	1.19	3.50	2.94	1.24	2.0	1.6
Non-agricultural	0.70	2.10	3.00	0.74	1.2	1.6
Agricultural	0.15	0.18	1.20	0.15	0.2	1.33
<b>Market prices</b>						
Residential	1.00	10.00	10.00	0.6	1.7	2.8
Non-agricultural	0.60	6.00	10.00	0.36	1.02	2.8
Agricultural	0.10	2.40	24.00	0.4	1.2	3.0
Rental (15m2)	0.3	0.8	2.7	0.3	0.6	2

*Comparison of changes in land values in 19-5 Extension Road (MDR-UUP) and Lo Hot area (out of project).*

*Source: Listed prices from Provincial Council Price list. Market prices from fieldwork*



# Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY  
WASHINGTON DC, MARCH 25-29, 2019



49. **Land prices also increased in LIAs between 2012 and 2017, but at a lower rate than those along primary infrastructure.** Compared to land plots along primary infrastructures, those in LIAs had lower increase rates of land prices (4.3 times as the highest). However, the increase rates in project areas were consistently higher than those in reference out-of-project areas, suggesting a positive impact of the project on land values in LIAs.

- The listed prices did not change much in Can Tho (about 10 - 15% in both in-project and out-project areas). The changes in listed prices were much higher in MDR-UUP areas in Tra Vinh (about 50 - 140%) than reference areas.
- In Can Tho, the market prices increased about 2.2 times in MDR-UUP as compared to less than 2 times in out-of-project areas. Tra Vinh observed higher land values increase of 3 – 4.3 times in MDR-UUP LIAs as compared to less than 1.7 times in reference out-of-project areas.

**Table 7: Changes in land values – LIAs in Can Tho**

CAN THO	In-Project:			Out-project:		
	Alley 1, Vo Tanh, Le Binh			Alley 4, Nhat Tao, Le Binh		
	2012	2017	Change	2012	2017	Change
<b>Listed prices</b>						
Residential	1.60	1.60	1.00	0.60	0.60	1.00
Non-agricultural	1.12	1.28	1.14	0.42	0.42	1.00
Agricultural	0.14	0.16	1.11	0.14	0.16	1.11
<b>Market prices</b>						
Residential	3.00	6.50	2.17	2.35	4.10	1.74
Non-agricultural	2.10	4.50	2.14	1.65	3.20	1.94
Agricultural	Could not sell					
Rental	No rental business					

*Comparison of changes in land values in Alley 1, Vo Tanh (MDR-UUP) and Alley 4, Nhat Tao, Le Binh Ward (out of project). Source: Listed prices from Provincial Council Price list. Market prices from fieldwork*



**Table 8: Changes in land values – LIAs in Tra Vinh**

TRA VINH	In-Project: Ward 8, Section 8			Out-project: Belt of Long Thanh river		
	2012	2017	Change	2012	2017	Change
<b>Listed prices</b>						
Residential	0.32	0.48	1.50	0.32	0.50	1.56
Non-agricultural	0.19	0.29	1.51	0.19	0.19	1.00
Agricultural	0.08	0.18	2.40	0.08	0.08	1.00
<b>Market prices</b>						
Residential	0.60	2.25	3.75	0.20	0.30	1.50
Non-agricultural	0.35	1.5	4.29	0.12	0.18	1.50
Agricultural	0.10	0.3	3.00	0.06	0.10	1.67
Rental (15m2)	0.3	0.6	2	No rental business		

*Comparison of changes in land values in Section 8, Ward 8 (MDR-UUP) and in Belt of Long Thanh area (out of project). Source: Listed prices from Provincial Council Price list. Market prices from fieldwork*

**50. Project areas experienced higher increases in number of transactions and average registered prices than other reference areas, implying an increase in land related revenue.**

- In Tra Vinh, based on data of the samples<sup>10</sup>, in the project area, the number of transactions and registered prices increased 2.03 and 1.95 times, respectively. This led to an increase of 3.5 times in total registered sales. By contrast, in the reference out-of-project area, the increase was much more modest with 22% increase in number of transactions and 26% increase in total registered sales.

<sup>10</sup>The MDR-UUP invested in selected primary infrastructures and LIAs which were not the same as administrative units. Land transactions, however, were registered by administrative units, such as Ward or District. Thus, statistics on land transactions in project areas were not readily available. Nor were they on reference out-of-project areas. To assess changes in number of land transactions, the research team asked local authorities to provide statistics on land transactions in a sample of in-project and reference out-of-project areas. A sample was provided by Tra Vinh City Land Registration Office. By 2012, the two areas were comparable in geographic locations (distance to City center and access to major roads), socio-economic development levels, and total of land plots and areas.



While the average price in the project area was doubled, it remained unchanged in the reference area.

**Table 9: Changes in land transactions – Samples in Tra Vinh**

	In-project (WARD 7)			Out-project (WARD 1)		
	2012	2017	Change	2012	2017	Change
No. of land plots						
Total areas						
No. of transactions	70	142	2.03	50	61	1.22
Total areas (m2)	15,192	26,987	1.78	10,962	13,848	1.26
Total registered sales (VND ml.)	13,012	45,410	3.49	9,358	11,883	1.27
Average registered prices (VND ml./m2)	0.86	1.68	1.95	0.85	0.86	1.01

*Source: Tra Vinh Land Registration Department*

51. The above findings suggested that local land-related revenues should have increased significantly thanks to MDR-UUP. Statistics were not available, but an estimate from Tra Vinh City suggested that land-related revenue tripled in 2016 thanks to the upgrading project. Main sources of the increase are:

- *Land use conversion revenue:*

Price differences: Conversion from agricultural to residential or non-agricultural lands increased land (PCC listed) prices. The landowners had to pay the differences.

Land administration fees: These were fees for issuing proper documents after the conversion.

Registration fee: These were fees to register properties in new documents after the conversion.

- *Land transaction tax:* Increased number of transactions and prices result in increase in tax.

- *Land use tax:* Conversion from agricultural to residential or non-agricultural lands increased tax since non-agricultural lands incur higher tax rate.



# Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY  
WASHINGTON DC, MARCH 25-29, 2019



### 3.3 Evolution of Thoi Nhut resettlement areas in VUUP

52. VUUP was implemented during 2004-2014 in 4 large cities of Vietnam: Ho Chi Minh, Can Tho, Hai Phong and Nam Dinh. Each city was a beneficiary of a package of investment in infrastructure services (primary, secondary and tertiary), resettlement areas, land management and microcredit support to poor residents for housing improvement and income generation. The Resettlement Housing (Component 3) supported 2917 households that needed to be relocated.

53. In Can Tho, the VUUP's resettlement site was in Thoi Nhut (An Khanh Ward, Ninh Kieu District), 5 km away from the City center on the west. Thoi Nhut has an area of 16.7 ha and hosts 1520 resettled households. By the time of development (2005), Thoi Nhut was mainly agricultural area without any major infrastructure. The site was close to City's major hospitals (i.e., Can Tho Central General Hospital, Can Tho University of Medicine and Pharmacy' Hospital, Phuong Chau International Hospital) and one primary school. Since 2015, a newly built high school (An Khanh High School) has been in operation.

54. Most (95%) of resettled households did not have land use right certificates for their original houses. They lived in informal settings (non-licensed houses in high-density and polluted areas with poor infrastructure) with small, temporary houses (10 – 20m<sup>2</sup>). After relocating to the resettlement site, they now enjoyed living in formal housing on a land plot of 40m<sup>2</sup> or 60m<sup>2</sup>. Moreover, a household may be entitled to more than one land plot in Thoi Nhut depending on number of people living in the original house and number of household registration books they possessed.

55. The evolution of Thoi Nhut resettlement site could be divided into two stages: Initiation (2005 – 2012) and Consolidation (2012 – date). It took almost ten years for Thoi Nhut resettlement site to be filled. Our fieldwork suggested several reasons for this slow evolution. On the one hand, VUUP was implemented by stages and thus not all resettled households had to move in at one time. On the other hand, many people delayed moving in resettlement sites because they were afraid of changes in their livelihoods and social fabrics. Thoi Nhut only provided land plots, and thus some households needed time to build houses on their own. A number of resettled households in An Nghiep market faced two choices in 2005: i) move in Thoi Nhut resettlement site and find a place in Thoi Nhut market for business; or ii) wait for newly built An Nghiep market. Many chose option ii), but this option was then not realized. They moved in Thoi Nhut resettlement area later, only to find out that land plots around Thoi Nhut market were no longer available.



# Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY  
WASHINGTON DC, MARCH 25-29, 2019



56. *Initiation stage:* Thoi Nhut was converted from originally rural, agricultural area into residential, urban area. Infrastructure was built, and land was divided into plots for resettlement. There was an attempt to convert the park into residential plots, but it was strongly opposed by people in the area. While Thoi Nhut was close to several hospitals, there was no school in the neighborhood. For the first 4-5 years, only about 150 households (10% of resettled households) moved in and scattered on the site. The market was built in 2007, but it was empty for several years. Social capital was weak, and the site was home to many social crime incidents.

57. *Consolidation stage:* By 2012, households continued to move in and almost filled Thoi Nhut area. Two schools were built to respond to the needs of residents. Houses were built, and the market became increasingly busy. By 2017, Thoi Nhut was an organized area with orderly residential plots and good access to basic infrastructure. The sense of community and social fabric were stronger, partly due to the time people have lived in the area, and partly due to the authority's initiative on setting up inter-household groups<sup>11</sup> for resolving common issues. Both citizens and authorities reported good safety. Thoi Nhut became one of highly valued areas in Can Tho. Authorities and majority of interviewed people reported positive changes in their lives since they moved in Thoi Nhut. Many resettled households used to live in "non-recognized" land with small houses located in highly polluted areas before the project. Settling in Thoi Nhut, they now have land use right certificates and their area is generally larger and cleaner with good access to infrastructures.

58. However, a number of original project beneficiaries moved out of Thoi Nhut for various reasons. While formal statistics were not available, interviewed people and officials suggested that about 20-40% of original project beneficiaries had moved out. Three reasons are most relevant:

- Some higher income households found the standard plot sizes of 40m<sup>2</sup> and 60m<sup>2</sup> too small. They sold it to buy bigger houses in other areas.
- Some households, especially small traders or shopkeepers, could not find appropriate livelihoods in the area. They moved out to other areas to continue their original businesses.
- Some households simply sold their land-plots and went back to their home villages to buy agricultural lands. Others got back to "informal settings" in other parts of the city.

---

<sup>11</sup> Local authorities encouraged five or six neighbouring households to form an inter-household group to regularly discuss issues of common interests.



59. Since 2012, the value of residential and non-agricultural land in Thoi Nhut has increased significantly. The prices of residential and non-agricultural lands increased 7.5 times between 2007 and 2017, and 4.3 times between 2012 and 2017 (see Table 3-8).

**Table 10: Changes in land value in Thoi Nhut**

(VND ml. /m2)	2007	2012	2017	Change 07/17	Change 12/17
<b>Listed prices</b>					
Residential	1.5	3	3	2.0	1.0
Non-agricultural	0.44	2.1	2.1	4.8	1.0
Agricultural	0.126	0.162	0.25	2.0	1.5
<b>Market prices</b>					
Residential	5	8.75	37.5	7.5	4.3
Non-agricultural	3.5	6.125	26.25	7.5	4.3
Agricultural			N/A		

*Sources: Listed prices: City People Council; Market prices: Interviews with real estate agencies, people, and authorities*

60. While reporting overall satisfaction with Thoi Nhut resettlement, interviewed people and authorities identified several remaining issues. These include:

- Land plots: Relatively small size of plots - 40m2 and 60m2 - did not satisfy needs of different households. Interviewed people believed that the 40m2 plots were too small.
- Drainage system: Ward authority and citizens believed that the original design of the drainage system had a smaller capacity than what is actually needed. Besides, some areas (including road network and land plots) were subsided, causing flooding during heavy rains. Some households increased their house foundation to cope with floods. Others have not upgraded their houses and suffered from floods from time to time.
- Park: There's a park in the area. However, the park was under-developed without sufficient landscape, sporting equipment, or entertainment.



# Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY  
WASHINGTON DC, MARCH 25-29, 2019



- Thoi Nhut market: There were some mismatches between people who had demands and people who actually got space in Thoi Nhut market. Those who moved in early could get space in the market, but many of them were not originally business households. Business households, often from market areas of the City, moved in later only to find out that space in the market was no longer available.

## 3.4 Lessons learned

### Positive impacts of the project:

61. In general, urban upgrading projects (VUUP and MDR-UUP) have facilitated positive changes in people's lives. Households facing newly built or upgraded major roads have more and much better business opportunities. The market values of their land increased sharply, notably for converted agricultural land. Those in LIAs have better living environment and enjoy higher living standards. While their income may not increase as much as those facing major roads, other dimensions of their life qualities (e.g., living environment, access to basic infrastructure, social activities and capital) have been notably improved. The changes in projects areas were clearly more positive than those in 'reference' comparison areas, implying a direct positive impact of the project.

62. Upgrading infrastructure induced positive changes in people's living habits. First, participation in community management was emphasized during project implementation and sustained in the later stages. People participated in resolving common issues, such as flooding, security, maintenance of the street lighting in their communities. In Can Tho, this habit has been enhanced by the authorities' initiatives in forming inter-household groups or installing security camera in the communities. Second, people's awareness of environmental protection and public spaces preservation has been raised. People followed better solid waste disposal rules and respected more public spaces. As a case in point, people in Thoi Nhut objected the idea of converting the park into residential plots. As a result, the park was retained, albeit under-developed.

63. Citizen participation was emphasized at different stages of the projects, contributing to general satisfaction at the end of the projects. People's needs and opinions were solicited, and where possible, were reflected in project design and implementation. Community monitoring was used in the project implementation, contributing to citizens' trust in the project. Besides infrastructure, community participation capacity has also been enhanced as a result of the project.



# Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY  
WASHINGTON DC, MARCH 25-29, 2019



## Remaining issues and recommendations:

64. Upgrading infrastructure in LIAs often required households to upgrade their houses accordingly. However, poor households (especially in Tra Vinh) found it hard to upgrade their houses to fit with new infrastructure. Access to ‘policy credits’ (government loans to poor households) was not realistic in practice, as reported by interviewees. This suggests that some type of subsidized loans should be planned for poor households to upgrade their houses as part of city’s overall social assistance policy or future urban upgrading projects.

65. MDR-UUP, as any other ODA project, could not upgrade all LIAs. Local authorities selected LIAs to include in MDR-UUP based on number of criteria, leaving other LIAs for future plans. The remaining LIAs, especially in Tra Vinh, now became ‘the flooded areas’ since other upgraded areas were in higher elevation. With constraints in state budget, innovative solutions that mobilize different sources of funding should be considered. Land pooling approach<sup>12</sup> is one example, and experience from the land pooling pilot project in Tra Vinh<sup>13</sup> could be beneficial in exploring institutional and technical challenges and innovations.

66. As the project comes to an end, sustainability issue becomes critical. In MDR-UUP, local residents need to be better informed about how to use and sustain the new infrastructure, what is the O&M arrangement, and who/where to report in case any issues. At the time of study (March 2018), residents and some local officials were not clear on who would take responsibility for maintenance (i.e., district authorities, PMU, or contractors). As discussed in a previous section, community participation and monitoring is critical for project success and sustainability. However, communities in LIAs often have lower capacity. Some capacity building and communication campaign, such as training on utilization and maintenance of the infrastructure, monitoring, reporting system, etc. should be included in project design and emphasized during implementation.

---

<sup>12</sup> Land pooling or land readjustment is a means of assembling land for urban expansion or redevelopment which allows project-affected households to contribute some portion of their land to make space for urban infrastructure, in order to remain in-situ and benefit from the improvements brought about by the project. It is widely considered to be more efficient and inclusive than land acquisition with compensation and off-site resettlement.

<sup>13</sup> See: *Rethinking Land Readjustment from a Governance-Centered Perspective: The Case of A Land Readjustment Pilot in Tra Vinh, Vietnam*, Mansha Chen and Hoa Thi Mong Pham, Annual World Bank Conference on Land and Poverty, Washington DC, 2017



# Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY  
WASHINGTON DC, MARCH 25-29, 2019



## References

- Chen, Mansha; Pham, Hoa Thi Mong (2017). Rethinking Land Readjustment from a Governance-Centered Perspective: The Case of A Land Readjustment Pilot in Tra Vinh, Vietnam. Annual World Bank Conference on Land and Poverty, Washington DC.
- Baker, Judy L.; Gadgil, Gauri U. (2017). East Asia and Pacific Cities: Expanding Opportunities for the Urban Poor. Urban Development; World Bank, Washington, DC. © World Bank.
- MACDI (2015). Impact Evaluation Report: Viet Nam Urban Upgrading Project (VUUP). Micro Finance & Community Development Institute, Hanoi, Vietnam.
- MDR-UUP (2016). Midterm Review – Mekong Delta Urban Upgrading Project. *Conducted by Adcom Consultant and Development Limited Company*, Hanoi, Vietnam.
- Standley, Terry (2017). Technical assistance to provide support in deploying coordination capacity development of the cities participating in the National Urban Upgrading Program. Mekong Delta Region Urban Upgrading Project, Report 2, Task A (Code: MoC 01H)
- The World Bank (2006). Impact Evaluation for Slum Upgrading Interventions. Doing Impact Evaluation Series, No.3.
- The World Bank (2012). Mekong Delta Region Urban Upgrading Project (MDR-UUP) – Feasibility Study in Can Tho. Conducted by *Dong Duong Investment and Construction JSC (DDC)*.
- The World Bank (2012). Mekong Delta Region Urban Upgrading Project (MDR-UUP) – Feasibility Study in Tra Vinh. *Conducted by PCO Consultant*.
- The World Bank (2017). Upgrading Informal Urban Settlements eLearning Course.
- Un-Habitas (2003). Global Report on Human Settlements 2003. [www.unhabitat.org/grhs/2003](http://www.unhabitat.org/grhs/2003).
- Un-Habitas (2010). *Chapter 1 – Development Context and the Millennium Agenda, updated in the Global Report on Human Settlements 2003*. [www.unhabitat.org/grhs/2003](http://www.unhabitat.org/grhs/2003).

## Tables

Table 1: Informants and methods applied in Tra Vinh and Can Tho Cities .....	9
Table 2: The facilities invested by the Project .....	26
Table 3: Changes in land values – Primary infrastructure in Can Tho (1).....	29
Table 4: Changes in land values – Primary infrastructure in Can Tho (2).....	30
Table 5: Changes in land values – Primary infrastructure in Tra Vinh (1).....	30



# Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY  
WASHINGTON DC, MARCH 25-29, 2019



Table 6: Changes in land values – Primary infrastructure in Tra Vinh (2).....	31
Table 7: Changes in land values – LIAs in Can Tho .....	32
Table 8: Changes in land values – LIAs in Tra Vinh.....	33
Table 9: Changes in land transactions – Samples in Tra Vinh .....	34
Table 10: Changes in land value in Thoi Nhut .....	37

## Figures

Figure 1: Statistics of alleys upgraded in Can Tho City .....	13
Figure 2: Changes in number of small alleys (in-project areas) .....	14
Figure 3: Changes in flooding situations in the project areas. ....	15
Figure 4: Changes in average incomes and poverty ratios.....	23
Figure 5: People’s satisfaction on the changes in the project areas .....	28